

Working Together to Make Saving For Education Easy

Participating in The Education Plan,
New Mexico's 529 Education Savings Plan

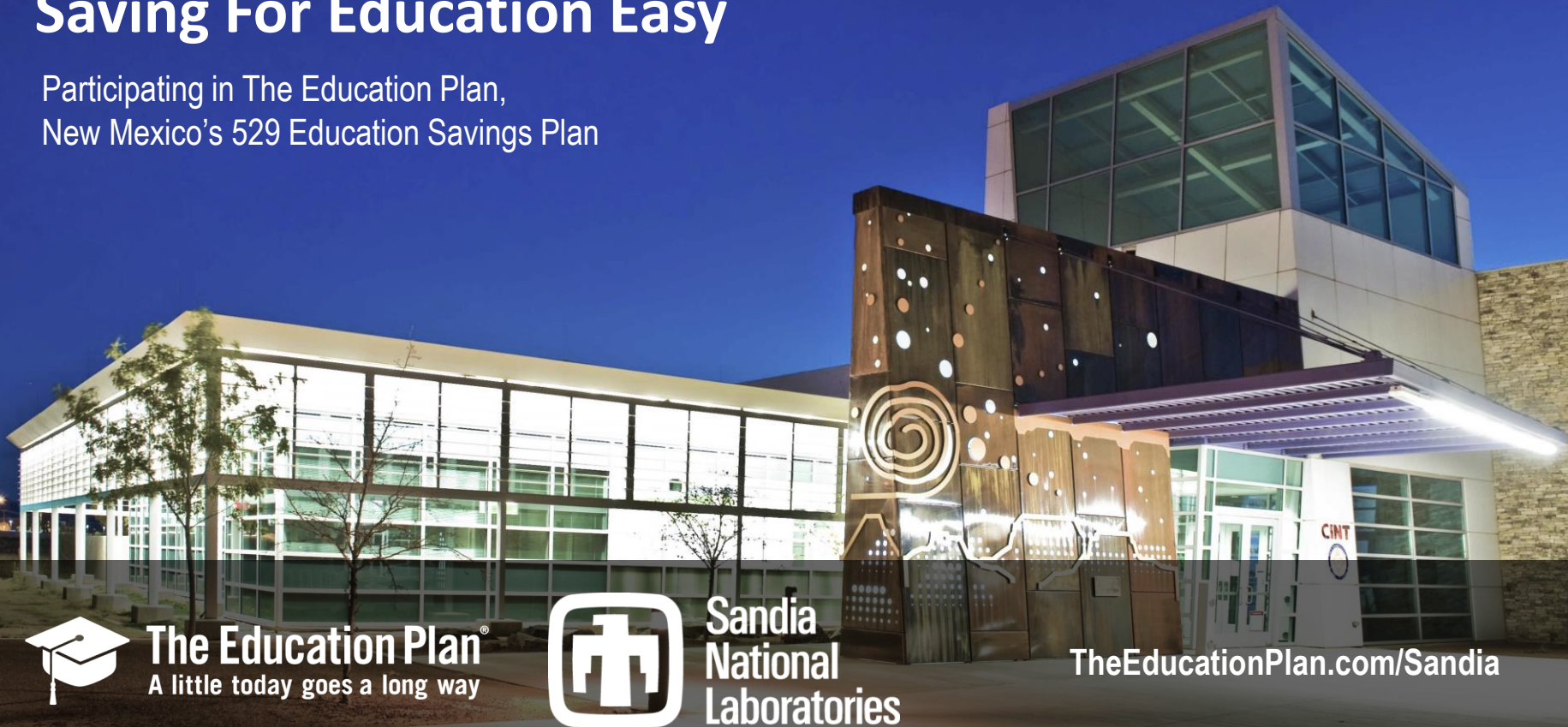


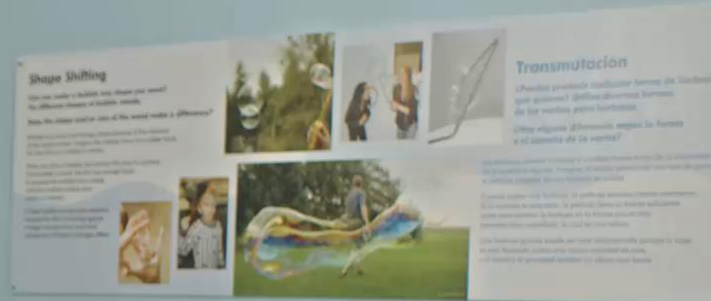
The Education Plan®
A little today goes a long way



**Sandia
National
Laboratories**

TheEducationPlan.com/Sandia





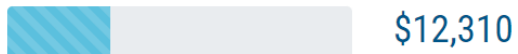
One Year of College

There's More To It Than Tuition

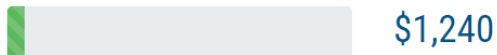
Tuition



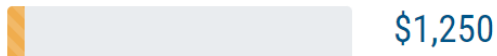
Room and Board



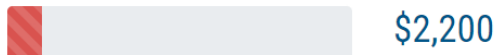
Books and supplies



Transportation*



Other Expenses



Total

\$27,940

This is the average total cost of college for a full-time, in-state student at a public four-year university.

*Please note, transportation and travel costs are not [qualified expenses](#) for 529 plans, they will be treated like ordinary income: state and federal taxes will apply, with a 10% federal penalty on earnings for withdrawals from your 529 plan used to pay for them.

*Source: 2022 CollegeBoard Trends in College Pricing

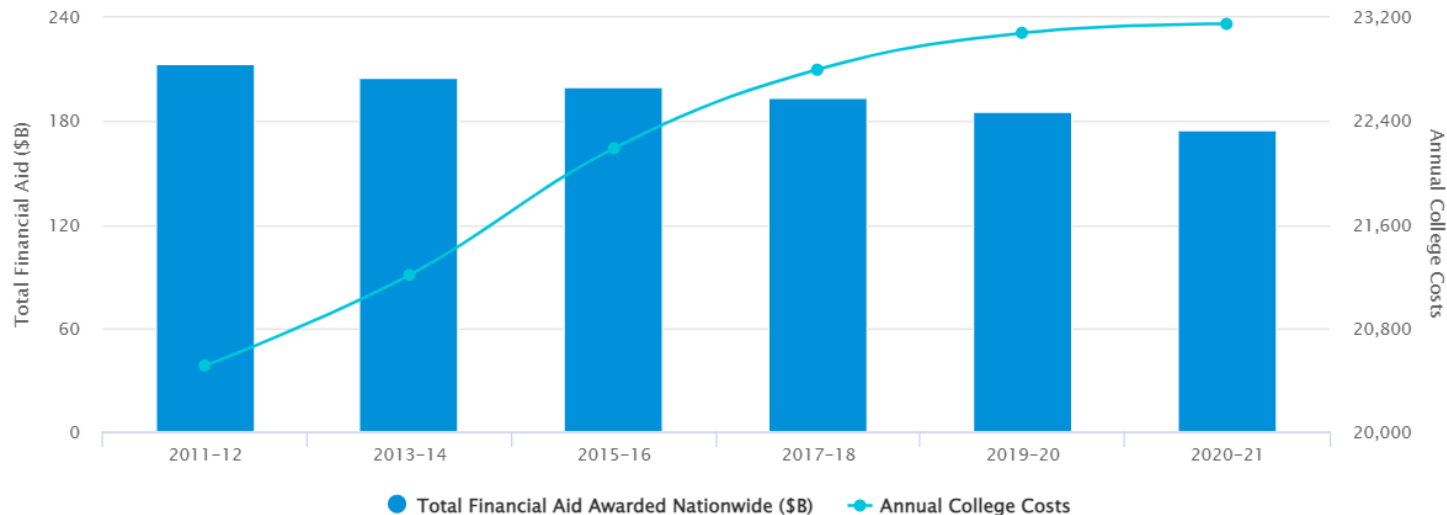


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Financial aid is getting harder to come by

While costs continue to increase, the pool of available financial aid is decreasing

Costs going up, aid going down



Annual College Costs

Increased
13%

Total Financial Aid (\$B)

Declined
-18%

Source: College Board *Trends in College Pricing and Student Aid 2021*.

Believing a child will go to college positively affects
outlook, academic performance and discipline.
It sets them up for success.

With just \$500 saved, a child is **3 times** more
likely to ***attend*** college or vocational school,
and **4 times** more likely to ***graduate*** than
those without savings.

1-Center for Social Development, 2013, "Small-Dollar Children's Savings Accounts, Income, and College Outcomes", <https://csd.wustl.edu/publications/documents/wp13-06.pdf>

What Is The Education Plan?

- A 529 Education Savings Plan sponsored by the state of New Mexico, but you don't need to live in New Mexico to have an account.
- 529 is the section of the IRS code that authorizes tax-advantaged college savings plans.
- It helps families save for future higher education expenses.



Why Start a 529 Education Savings Plan?

- Helps kids go on to higher education.
- Reduces the burden of student loan debt.
- Strengthens the future workforce.
- Encourages families to start saving early.
- Makes it easy to save.
- Makes higher education more attainable.
- Fosters consistent savings efforts.



Tax Advantages!

STATE

- Tax-free growth
- Tax-free withdrawals (when used for “qualified” education expenses)
- *New Mexico residents - State tax deduction of full amount invested during the taxable year (Jan 1- Dec 31)*

FEDERAL

- Tax-free growth
- Tax-free withdrawals (when used for “qualified” education expenses)



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Who Can Open a 529 Account?

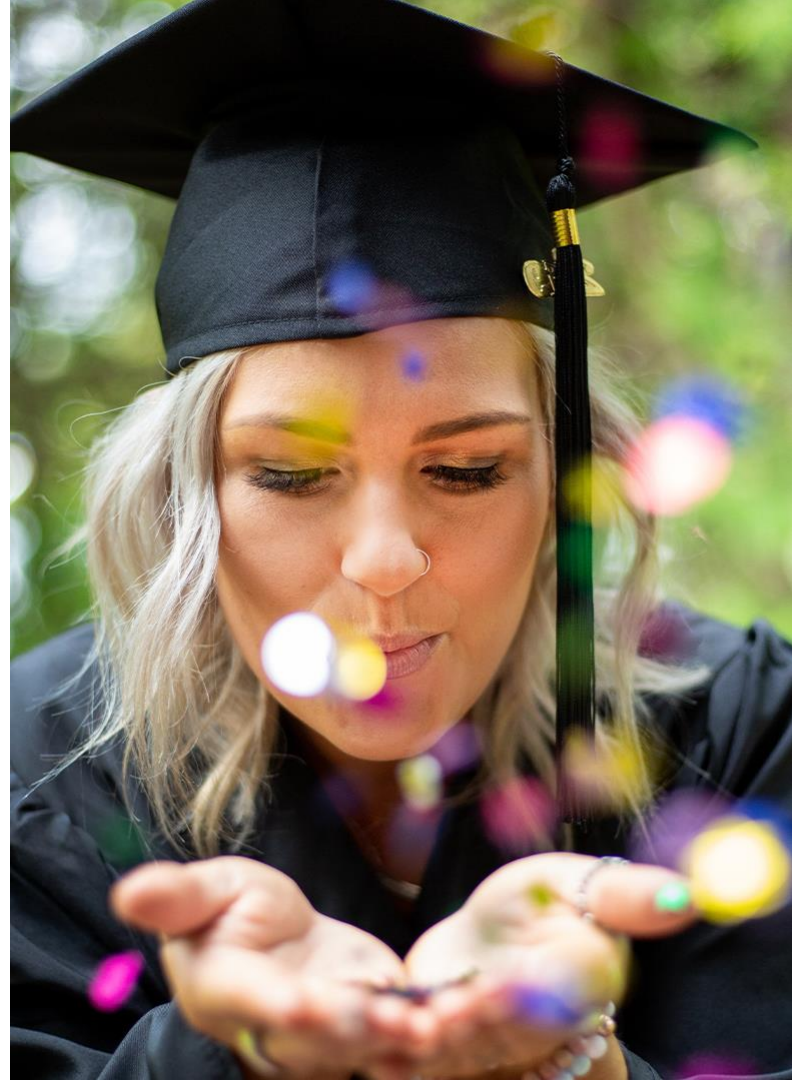
- Parents
- Grandparents
- Aunts/Uncles
- Family Friends
- You (for yourself!)
- Anyone – no blood relation necessary
- It's never too early, and it's never too late to start saving!



Which Schools Can 529 Savings Be Used?

Funds can be used at any accredited school in the country that qualifies to receive federal financial aid.

- Inside and outside of New Mexico
- Trade and vocational schools
- Public and private schools (post-secondary)
- 2-year colleges
- 4-year colleges
- Graduate and professional schools
- Even a few international schools



What Courses of Study Can 529 Savings Be Used For?

Certificates

Associate's degrees

Undergraduate degrees

Professional schools

Master's and PhD degrees

Examples of Qualified Expenses

529 plans are flexible and can be used to cover a variety of educational expenses.

- Tuition and Fees
- Room/Board
- Books
- Computers
- Internet
- Educational Software

Example of an expense that is not qualified per Federal Code:
Transportation (e.g. flights, gas)

Even more flexibility – no longer just for college

Families can also use their 529 plans to¹:

- **Cover up to \$10,000 per student per year for K-12 tuition**
- **Repay up to \$10,000 (lifetime) in qualified student loans**
- **Transfer up to \$15,000 a year to an ABL account for the beneficiary**
- **Pay expenses related to apprenticeship programs**
- **Move assets to a Roth IRA, under the Secure 2.0 Act**

¹See further detail on restrictions/limits at [TheEducationPlan.com](https://www.TheEducationPlan.com)



Funds in an account with The Education Plan are more flexible and cover a variety of education expenses that scholarships do not cover.

NM Lottery and NM Opportunity Scholarship vs The Education Plan

Covered Expenses	NM Lottery Scholarship/NM Opportunity Scholarship	The Education Plan
Tuition (NM state schools)	✓	✓
Tuition (schools nationwide)		✓
Room/board		✓
Books		✓
Supplies		✓
Equipment (i.e. laptop)		✓

Explore Your 529 Plan Investment Options

We know that choosing investment options can be overwhelming, but The Education Plan® can help make it easy. With a range of professionally managed investments, your Education Plan account has the flexibility to meet your investment needs.

Select your investment approach:

KEEP IT SIMPLE

This approach is based on the beneficiary's year of enrollment. It consists of a blend of investments assuming enrollment at age 18* that automatically changes to match the shortening time horizon and appropriate risk levels.

** Depending on your beneficiary's intended enrollment year, you may want to consider a different investment strategy.*

SHOW ME OPTIONS

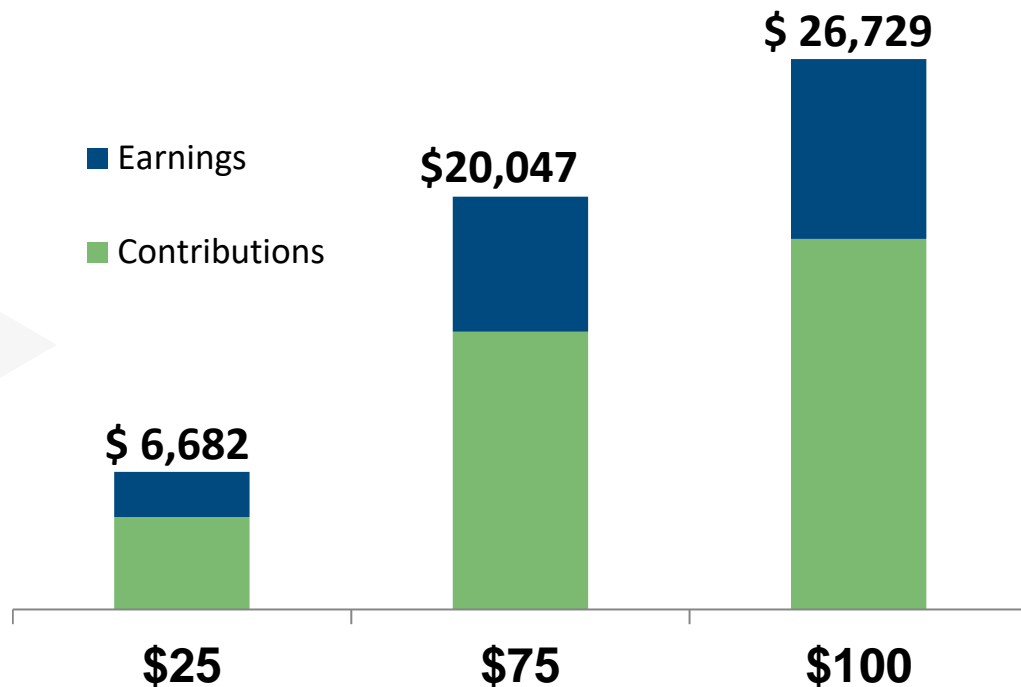
This "do-it-yourself" approach* allows you to choose any combination of portfolios available in the plan equaling 100%. Portfolios include Year of Enrollment, Static and Active Allocation, and Individual funds.

** Generally, this approach is for experienced investors who are comfortable selecting their own investment strategy or for those who may have different investment objectives.*

How Much Can I Save with a 529 Account?

Small Amounts Add-Up

It is important to start early and contribute regularly. A family making monthly contributions over 15 years can accumulate a significant college savings fund and reduce the amount borrowed when the child is in college.



Hypothetical model only - Assumes monthly contributions and a 5% annual return. Investments are subject to market risk.

Putting Money in Your 529 Account

- **Payroll contribution** – if your employer offers it, you can contribute to your 529 Plan directly from the pay you receive from your employment.
- **Automatic Investment Plan (AIP)** – schedule recurring contributions from your bank account. It's the easiest way to save. Set-up is simple.
- **Send a check** – just write a check and mail it with a contribution coupon and we'll deposit the funds into your account. You can send checks as often as you like.
- **One-time electronic funds transfer** – you can make a transfer from your bank account.
- **Rollover/transfer from another 529 Plan** – transfer funds from other eligible accounts or investments.



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Accepting Gift Contributions is Easy

Friends and family can help grow your account.

5 Reasons to Set Up Gifting:

1. It's a meaningful gift that can last a lifetime.
2. Anyone can contribute at any time with as little as \$25.
3. It can be a one-time gift or a recurring contribution.
4. It may offer tax benefits for the gift-giver.
5. Even a small gift can make a big difference with compounding.

For more info on Gifting, visit
TheEducationPlan.com/gifting



How To Get Started

Visit TheEducationPlan.com/Sandia

It takes just 15 minutes.

What you need for each beneficiary

- Name
- SSN or TIN
- Birth date

You will receive an account # for each beneficiary

Select “Enroll Now”



The Education Plan + Sandia National Laboratories = Make Saving For College Easy.

Kids grow up fast. As part of Sandia National Laboratories employee benefits package, you can make deposits directly from your paycheck into a 529 college savings account with The Education Plan – New Mexico's official 529 college savings plan. Here are just a few reasons to set up your account today:

- Convenience. Set up withdrawals once and easily manage your account online.
- Significant [tax benefits](#) for New Mexico residents.
- Flexibility. Funds can be used for any level of higher education at colleges nationwide.
- Funds can be used for expenses such as tuition, room and board, books, fees, computer technology and education-related special needs.



How to Set Up Payroll Deductions

Setting up direct deposit is a simple, two-step process. It's important to complete both steps to ensure your contributions are deposited correctly.

Step 1: Submit the payroll direct deposit instruction to The Education Plan.

Step 2: Set up direct deposit with Sandia.

View the payroll direct deposit step-by-step guide by visiting TheEducationPlan.com/Sandia

How to Set Up Payroll Direct Deposit from Sandia to The Education Plan

Setting up direct deposit with The Education Plan and Sandia National Laboratories is a simple **two-step process**. It's important to complete both steps outlined in this guide to ensure your contributions are deposited correctly.

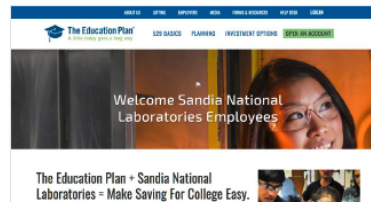
- Recurring contributions can be set to as little as \$1.
- You can update contributions at any time by repeating both steps outlined below.

STEP 1: Submit to The Education Plan

STEP 2: Set up with Sandia

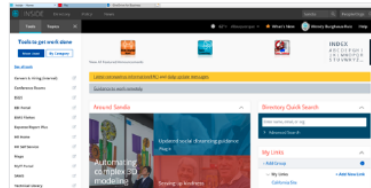
Step 1: Submit the payroll direct deposit instruction to The Education Plan.

This process walks you through logging into your account with theeducationplan.com and submitting the direct deposit amount. Please note: The amount you submit to theeducationplan.com must match the amount you set up with Sandia in Step 2. See pages 2–9 for instructions.



Step 2: Set up direct deposit with Sandia.

This process walks you through logging into Inside, formerly TechWeb, to add direct deposit as an option to your account. See pages 10-13 of this guide for instructions.



Additional Information & Resources

Visit TheEducationPlan.com

Call 877.337.5268

Hours M-F 8am-7pm MT

Thank you!



**Sandia
National
Laboratories**



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